America's Health Insurance Plans

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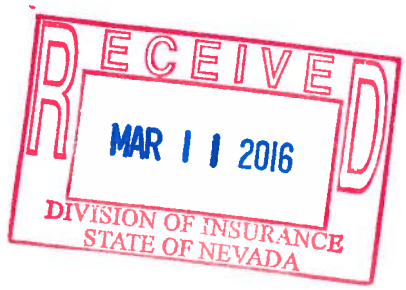

March 10, 2016

Amy Parks
Chief Insurance Counsel
Nevada Division of Insurance
1818 E. College Parkway, Suite 103
Carson City, NV 89706

Re: Network Adequacy Proposed Rules – March 2 Draft

Dear Ms. Parks,

I write today on behalf of America's Health Insurance Plans (AHIP) to provide comments on the March 2, 2016 version of the proposed network adequacy regulations issued by the Nevada Division of Insurance.

AHIP is the national association of health insurance plans and our members provide health and supplemental benefits to 200 million Americans through employer-sponsored coverage, the individual and small group insurance markets, and public programs such as Medicare and Medicaid. Our members offer a broad range of health insurance products in the commercial marketplace and have also demonstrated a strong commitment to participation in public programs

We are concerned with the extensive revisions that the Division has made to the latest version of the proposed regulations. We urge the Division to consider adopting provisions of the NAIC's Network Adequacy Model Act whenever possible, which were endorsed by stakeholders, including state regulators, consumers, providers, and health plans.

Sections 4 and 27: Changes are needed to provide clarity regarding the applicability of these regulations.

As we understand the proposed definition of "carrier" as written in Section 4, and the clarifications in Section 27, these regulations would apply to all group or individual medical plans. These rules should not apply to dental, supplemental, or other HIPAA-excepted benefits insurers, thus, additional clarification is needed to specify that these regulations apply only to comprehensive medical plans. Requiring dental and vision carriers to meet these requirements would be unnecessary and further, would lead to higher costs, higher pricing, and possible market exit. Section 27 notes the types of coverage the network adequacy provisions do not apply to; we request that a new item 5 be added to this section to specify vision or dental plans:

> "*Section 27.*
> *... 5. Vision or dental insurance plans.*"

Section 8: The standards around approved geographic service areas would benefit from more details.

The definition of "geographic service area" in Section 8 is overly broad and does not include adequate standards for the Commissioner to consider when approving the service area. We suggest that the Division adopt the following provisions from the NAIC's Network Adequacy Model Act Section 5(D):

> *(1) A health carrier shall establish and maintain adequate arrangements to ensure covered persons have reasonable access to participating providers located near their home or business address. In determining whether the health carrier has complied with this provision, the commissioner shall give due consideration to the relative availability of health care providers with the requisite expertise and training in the service area under consideration.*
>
> *(2) A health carrier shall monitor, on an ongoing basis, the ability, clinical capacity and legal authority of its participating providers to furnish all contracted covered benefits to covered persons.*

Additionally, we are concerned with the deletion of "established patterns of care" as an aspect of a geographic service area. This is an important measure for complex cases in which certain specialty providers or facilities may not be available within a geographic service area as but are utilized when needed, rather than local providers and facilities.

Section 17: The makeup and standards of the newly proposed Network Adequacy Advisory Council should be further defined.

Section 17 includes general provisions regarding the makeup and appointment of members to the Network Adequacy Advisory Council, yet further details and safeguards are needed. For example, as is common with other boards, members should be appointed for a specified term length, and procedures established for the appointment of a new board member when one member leaves or their term expires. The makeup of the Council should be further established to provide for equal representation among the various stakeholder groups – carriers, providers, and consumers – to ensure a balance of representation. Additionally, we recommend including small employers as stakeholders on the Council, as they also utilize network-based plans.

Section 20: Standards that apply to qualified health plans should not be applied to the rest of the commercial market.

We recommend that network adequacy requirements set the base for all networks. For qualified health plans (QHPs), the additional standards set out in provisions (a) and (c) of Section 20 – the

CMS Network Adequacy Template and the annual Letter to Issuers – apply only to QHPs. These requirements, such as the standards related to essential community providers, should not be expanded to the rest of the commercial market.

Sections 24 and 25: The timing of a corrective action plan is unworkable and the consequences of an unsatisfactory corrective action plan are too drastic.

The latest amendments to Section 24 reduce the time for a carrier to submit a corrective action plan from 60 days to 45 days. This timeframe is overly short and does not allow adequate time for the health plan to enter into and establish new provider contract arrangements. We therefore recommend that the deadline be returned to 60 days.

Finally, we note our concerns that Section 25 allows the Commissioner to declare a network plan inadequate if he or she does not approve the corrective action plan. We suggest that there be a mechanism that allows the carrier to amend its corrective action plan upon receiving disapproval before the Commissioner makes a final determination of the network adequacy.

AHIP will continue to work with the Division to develop these regulations and promote and provide a transparent, value-based health care system. We appreciate the opportunity to provide comments and look forward to continued discussions with you on this important issue. If you have any questions, please do not hesitate to contact me at gcampbell@ahip.org or 971-599-5379.

Sincerely,

Grace Campbell

Grace Campbell
Regional Director